



Ken Wagner, Ph.D.
Commissioner

State of Rhode Island and Providence Plantations


DEPARTMENT OF EDUCATION

Shepard Building
255 Westminster Street
Providence, Rhode Island 02903-3400

Enclosure 5c
November 15, 2017

November 14, 2018

TO: Members of the Rhode Island Board of Education

FROM: Ken Wagner, Ph.D., Commissioner 

RE: **Approval of the FY 2019 Revised and FY 2020 Budget Submittals**

FY 2019 Revised Budget

The FY 2019 Revised Budget submission contains an overall \$937,875 increase in general revenue when compared with the FY 2019 Enacted Budget.

The general revenue budget is increasing in three areas: State Aid to communities \$61,091; RI School for the Deaf (RISD) \$241,686; and Teachers' Retirement \$635,098.

The RISD increase is due to increased staffing needs and operational increases, and the Teachers' Retirement increase is due to greater than anticipated teacher salaries throughout the state.

Additionally, there are increases in the Federal Funds Budget of \$3.3M, made up of new grants and increased carry forward funds. The Restricted Receipt Budget is increasing by \$2.2M due to increased transportation costs (\$1.8M.), and School Construction costs (\$.3M); these increases do not affect state dollars (general fund). There is also a decrease to the RICAP (Rhode Island Capital) funds of \$9,641, which reconciles the FY 2019 Revised Budget with the Capital and Operating Budgets the Council approved in June. In total, the FY 2019 Revised Budget stands at \$1,450,693,312.

FY 2020 Current Service Level Budget Submission

The Department's FY 2020 Current Service Level (CSL) Budget submission requests a total of \$1,504,650,808, including \$1,248,414,034 in General Revenue expenditures. It includes a \$59.8M increase in General Revenue expenditures from the FY 2019 Enacted Budget. The largest increase is \$48.8M to fund Year 9 of the funding formula, and increases in categorical funds for Early Learning, High Cost Special Education, English Language Learners (ELLs), Career and Technical Education, Transportation, and other state aid. An increase of \$8.4M in teacher retirement is the second-largest increase.

Within the overall increase, the FY 2020 CSL Budget contains approximately \$.4M to advance instruction in Rhode Island schools through the creation positions to enhance Science Curriculum, expand Career and Technical Curriculum, support the facilities upgrade initiative, and a new leadership position to support ELL/World Language programs. The continuation of a Counselor Fellow currently paid with expiring New Skills for Youth funds is also being requested as a part of the ongoing PrepareRI initiative. . An additional \$600,000 is requested to support technology needs through the replacement of soon to be obsolete servers and maintenance and licensing agreements for products currently in use. There is also \$500,000 for student services at the RI School for the Deaf.

Fiscal Year 2019 Revised and Fiscal Year 2020 Current Service Level Budget

Board of Education

November 14, 2018



Two budgets plus new initiatives will be submitted

- The Agency must prepare and submit the following budgets;
- **Revised 2019 Budget** to adjust the 2019 budget for any changes that may have occurred since its submission and passage. Typically the changes are out of the agency's control
- **2020 Current Service Level Budget**, which is the 2019 Enacted Budget plus changes in budget items such as employee benefits, contracted operation costs, and utilities

The 2019 Revised Budget Submission

- The 2019 RIDE Revised Budget includes the following requests:
- One FTE position to support adolescent health and academic achievement as part of a five-year \$9M grant recently awarded from the U.S. Department of Health and Human Services. This FTE requires no additional state funding.
- RI School for the Deaf is requesting \$231,880 in the 2019 Revised Budget to cover various operating expenses listed on the next slide.

RI School for the Deaf 2019 Revised Budget Request

- \$.14M is needed in the salary and benefits line to fund an additional pre-school teacher due to unanticipated enrollment increases, and to fund a math teacher for a class currently being covered by a substitute teacher. The school has an aggressive salary turnover target that leaves no margin for unanticipated expenses.
- \$.13M is being requested to fund various operation expenditures that are projected to be greater than initial budget estimates, including legal services, utilities, and building maintenance contracts.
- \$.04M in budget savings have been identified, resulting in an additional \$.23M budget request.

The 2020 Current Service Level Budget

- The 2020 Current Service Level Budget (CSL) is the 2019 Enacted General Revenue Budget plus target adjustments approved by the state Budget Office.
- The 2020 CSL budget total is not yet available; however, projected increases to the 2019 enacted Budget are highlighted in this presentation
- The following RIDE budget items were adjusted as part of the target adjustment process:
 - Employee Wages and Benefits
 - Education Aid Funding Formula
 - Teachers' Retirement

State Aid to Education; Funding Formula

\$\$ Change in Education aid Funding Formula, FY19-FY20	
Total FY 19 Education Formula aid*	\$ 970,637,263
+ Funding Formula distribution Increase (year 9)**	\$ 28,273,033
+ Categorical Fund Increase	\$ 19,209,820
+ Stabilization Funds***	<u>\$ 1,231,602</u>
Total FY 20 Education formula aid	<u>\$1,019,351,718</u>
\$\$ change from FY 19	\$ 48,714,455

*Includes formula funding for all local education agencies and all state schools, except the RI School for the Deaf. Also includes enacted funding for categorical funds.

**Includes the projected amount needed to accommodate anticipated data updates, including student enrollment changes, the core instruction per pupil ,and the state share ratio. Amounts are subject to change with annual spring enrollment updates.

*** Stabilization funds; Central Falls \$100,000, Davies CTE Center \$636,326, Met School \$495,276

State Aid to Education; Funding Formula, Categorical Aid

<i>Categorical Aid Type</i>	<i>2019 Enacted Budget</i>	<i>2020 Requested Increase</i>	<i>2021 Funding Target</i>
Career and Technical Education	\$4,500,000	\$2,750,000	\$10,000,000
Early Childhood	\$6,240,000	\$5,760,000	\$12,000,000
High Cost Special Education	\$4,500,000	\$3,994,739	\$12,489,478
Transportation, Non-Public	\$3,038,684	\$ 821,738	\$ 4,682,160
Transportation, Regional	\$4,372,676	\$ 462,425	\$ 5,297,725
English Language Learners	\$2,744,939	\$5,899,268	\$ 8,644,207
Density Aid	\$ 478,350	\$(478,350)	\$ 0 (statute sunset)
School Resource Officer Support	\$2,000,000	\$0	\$ 2,000,000

Description and Cost of New Requests; Current Service Level items above Budget Targets; \$50,000 or greater

- The Computer Science for RI (CS4RI) program was transferred from Rhode Island College (RIC) to RIDE in the 2018 budget, and funding for the program was reduced from \$260,000 to \$210,000. This request is **\$.05M** to restore the program funding to its original amount
- **\$.06M** is requested to develop and train school leaders and teachers in program models and practices that will strengthen English Learner (EL) teaching and learning throughout the state
- Establish a English Learner (EL) and World Language leadership position to support the growth of world languages and assist with the implementation of EL teaching strategies: **\$.2M.**

Description and Cost of New Requests; Additions to the Current Service Level Budget; \$50,000 or greater

- Create science position in Curriculum Office responsible for the preparation, implementation and coordination of a STEM curriculum throughout the state. **\$.1M**.
- A Counselor Fellow to coordinate professional learning for all school counselors is currently supported with New Skills for Youth funding. This funding source is scheduled to end on 12/31/2019, so **\$.1M** is requested to continue this aspect of the PrepareRI initiative.
- A fellow position is currently supported with New Skills for Youth funds to expand career and technical education programs and work based learning in schools. This funding source is scheduled to end on 12/31/2019, **\$.1M** is requested to continue this aspect of the PrepareRI initiative. This position would be a new RIDE position rather than a fellow.

Description and Cost of New Requests; Current Service Level items above Budget Targets; \$50,000 or greater

- The Agency's computer servers are reaching the limit of their serviceable time and will no longer be eligible for maintenance and service agreements by the manufacturer. The most cost-effective approach is to refresh the servers using funds in a state capital account rather than RIDE's operating budget: **\$.3M.**
- Funds for systems licensing and fees associated with student information management system, teacher evaluation, and other recently developed information systems utilized by school districts throughout the state: **\$.3M.**

Description and Cost of New Requests; Additions to the Current Service Level Budget; \$50,000 or greater

- The State of Rhode Island recently embarked upon a long-term initiative to upgrade school facilities. To support this work, RIDE is requesting a new School Building Authority position, with funds provided off-budget through RIHEBC: **\$.1M**
- The RI School for the Deaf is requesting **\$.5M** to hire one critical Speech Pathologist (\$.1M.) and reduce the turnover target (\$.4M.). The request includes increasing the employee full time equivalent cap from 60 to 61 to accommodate the additional services

Appendix

Year over Year Comparison by Department

<i>Department All funding sources</i>	<i>2019 Enacted Budget</i>	<i>2020 Proposed CSL Budget Including New Initiatives</i>	<i>\$\$ Change</i>
ACES (Ride operating budget)	\$ 239,137,270	\$ 239,652,515	\$ 515,245
Davies CTE	\$ 22,503,082	\$ 24,195,205	\$ 1,692,123
RI School for the Deaf	\$ 7,971,191	\$ 8,642,550	\$ 671,359
Metropolitan CTE	\$ 9,592,007	\$ 9,592,007	\$ 0
Education Aid*	\$ 938,174,860	\$ 986,929,884	\$48,755,024
Central Falls	\$ 40,752,939	\$ 41,087,651	\$ 334,712
School Housing Aid	\$ 80,000,000	\$ 80,000,000	\$0
Teachers' Retirement	\$ <u>106,118,409</u>	\$ <u>114,550,996</u>	\$ <u>8,432,587</u>
Total	\$1,444,249,758	\$1,504,650,808	\$60,401,050
*formula plus other aid categories.			

<i>ACES All funding sources</i>	<i>2019 Enacted Budget</i>	<i>2020 Proposed CSL Budget Including New Initiatives</i>	<i>\$\$ Change</i>
General Revenue	\$ 20,428,256	\$ 22,335,104	\$ 1,906,848
Federal Funds	\$212,575,621	\$210,589,026	\$(1,986,595)
Restricted Receipts	\$ <u>6,133,393</u>	\$ <u>6,728,385</u>	\$ <u>594,992</u>
Total	\$239,137,270	\$239,652,515	\$ 515,245

Year over Year Comparison by Funding Source

<i>Source of Funds</i>	<i>2019 Enacted Budget</i>	<i>2020 Proposed CSL Budget Including New Initiatives</i>	<i>\$\$ Change</i>
General Revenue	\$1,188,639,908	\$1,248,414,034	\$59,774,126
Federal	\$ 214,475,474	\$ 212,511,158	\$(1,964,316)
Restricted Receipts	\$ 35,755,376	\$ 37,766,616	\$ 2,011,240
Capital Funds	\$ 3,900,000	\$ 5,600,000	\$ 1,700,000
Permanent School Funds	<u>\$ 1,479,000</u>	<u>\$ 359,000</u>	<u>(\$1,120,000)</u>
Total	\$1,444,249,758	\$1,504,650,808	\$60,401,050